

So Ordered.



Frederick P. Corbit

Frederick P. Corbit
Bankruptcy Judge

Dated: February 14th, 2014

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re:

LLS AMERICA, LLC,

Debtor.

BRUCE P. KRIEGMAN, solely in his
capacity as court-appointed Chapter 11
Trustee for LLS America, LLC,

Plaintiff,

vs.

267406 BC, LTD., et al.,

Defendants.

DC Case No. CV-11-363-RMP

Case No. 09-06194-FPC11

Adversary No. 11-80296-FPC11

REPORT AND RECOMMENDATION
RE: DEFAULT JUDGMENT
AGAINST DEFENDANT PAULA
DONALD

The Honorable Frederick P. Corbit, sitting in the United States Bankruptcy Court for the Eastern District of Washington, hereby files this Report and Recommendation regarding plaintiff's Motion for Entry of Default Judgment Against Defendant Paula Donald (ECF No. 725) filed with the bankruptcy court in this adversary proceeding.

1 This Report and Recommendation is made pursuant to the Honorable Rosanna
2 Malouf Peterson's Order Granting Joinder and Withdraw of Reference and Referring
3 Back to Bankruptcy Court for Further Proceedings entered on April 25, 2012 (ECF
4 No. 32) in district court case number CV-11-363-RMP.

5 The recommendation is that plaintiff's Motion for Entry of Default Judgment
6 Against Defendant Paula Donald (ECF No. 725) be granted and the attached Default
7 Judgment be entered in this adversary proceeding. The basis for this recommendation
8 is that an Order of Default Against Defendant Paula Donald was entered in the
9 bankruptcy court on November 20, 2013 (ECF No. 686).

10 ///END OF REPORT AND RECOMMENDATION///

Shelley N. Ripley, WSBA No. 28901
Daniel J. Gibbons, WSBA No. 33036
WITHERSPOON • KELLEY
422 W. Riverside, Suite 1100
Spokane, WA 99201
Telephone: (509) 624-5265; Facsimile: (509) 458-2717
Attorneys to Bruce P. Kriegman, Chapter 11 Trustee

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

In Re:

LLS AMERICA, LLC,

Debtor.

BRUCE P. KRIEGMAN, solely in his
capacity as court-appointed Chapter 11
Trustee for LLS America LLC,

Plaintiff,

v.

267406 BC, LTD., et al.,

Defendants.

US District Case No. 13-CV-416-RMP

Bankruptcy No. 09-06194-FPC11

Adversary No. 11-80296-FPC 11

DEFAULT JUDGMENT AGAINST
DEFENDANT PAULA DONALD

JUDGMENT SUMMARY

1. Judgment Creditor: Bruce P. Kriegman, Liquidating Trustee for
LLS America, LLC, as consolidated
2. Attorneys for Judgment
Creditor: Witherspoon Kelley
3. Judgment Debtors: Paula Donald

DEFAULT JUDGMENT- 1

{S0838211; 1 }



WITHERSPOON • KELLEY

Attorneys & Counselors

422 W. Riverside Avenue, Suite 1100 Phone: 509.624.5265
Spokane, Washington 99201-0300 Fax: 509.458.2728

1 Defendant Paula Donald for the benefit of the estate of LLS America, pursuant to
2 11 U.S.C. §§ 544, 550 and 551;

3 4. All proofs of claim of the Defendant which have been filed or
4 brought or which may hereafter be filed or brought by, on behalf of, or for the
5 benefit of Defendant Paula Donald or her affiliated entities, against the Debtor's
6 estate, in this bankruptcy or related bankruptcy proceedings, are hereby
7 disallowed and subordinated to the monetary judgment granted herein and
8 Defendant Paula Donald shall not be entitled to collect on her proof of claim
9 (Claim No. 174) until the monetary judgment is satisfied by Defendant Paula
10 Donald in full, pursuant to 11 U.S.C. §§ 502(d), 510(c)(1) and 105(a);

11 5. A constructive trust is hereby established over the proceeds of all
12 transfers in favor of the Trustee for the benefit of the estate of LLS America; and

13 6. Plaintiff is hereby awarded costs (i.e. filing fee) in the amount of
14 \$250.00 USD, for a total judgment of \$35,250.00 USD, which shall bear interest
15 equal to the weekly average of one-year constant maturity (nominal) treasury
16 yield as published by the Federal Reserve System.

17 Entered this ____ day of _____, 2014.

18
19
20
21
22
23
24
25
26
27
28
Honorable Rosanna Malouf Peterson

DEFAULT JUDGMENT- 3

{S0838211; 1 }



WITHERSPOON • KELLEY

Attorneys & Counselors

422 W. Riverside Avenue, Suite 1100 Phone: 509.624.5265
Spokane, Washington 99201-0300 Fax: 509.458.2728

1 *Presented by:*

2 WITHERSPOON • KELLEY

3 s/ Shelley N. Ripley

4 Shelley N. Ripley, WSBA No. 28901

5 Daniel J. Gibbons, WSBA No. 33036

6 Attorneys for Plaintiff

28
DEFAULT JUDGMENT- 4

{S0838211; 1 }



WITHERSPOON • KELLEY

Attorneys & Counselors

422 W. Riverside Avenue, Suite 1100
Spokane, Washington 99201-0300

Phone: 509.624.5265
Fax: 509.458.2728